

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington D.C. 20554**

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In the Matter of )

Unbundled Access to Network Elements )

Review of the Section 251 Unbundling )

Obligations of Incumbent Local )

Exchange Carriers )

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) WC Docket No. 04-313

) CC Docket No. 01-338

**DECLARATION OF M. JOSEPH STITH**

1. My name is M. Joseph Stith. I am an analyst at AT&T. My responsibilities include analysis of ILEC Special Access. I obtained a Ph.D. in Mathematical Statistics from the University of Missouri in 1978.

2. In support of AT&T's Comments in this proceeding, I previously submitted a sworn Declaration, with supporting data detailing the rates for each RBOC, showing that (i) the Bells' tariffed rates are, on average, significantly above their rates for equivalent UNEs, with tariffed rates exceeding UNE rates by well over 100% in many cases; and (ii) the Bells' tariffed pricing flexibility rates are equal to or higher than their price cap rates in virtually every instance. AT&T Comments, Attachment H, Declaration of M. Joseph Stith.

3. In its Comments, SBC claims that, "In response to competition, SBC has continued to lower its rates for special access services. ... Between 2001 and August 2004, the rate for DS-1s in SBC's territory dropped each year for a cumulative decrease of 11 percent." (SBC Comments, Attachment D, Declaration of Parley C. Castro, ¶ 14.) Similarly, Verizon claims that its "prices for DS-1 services alone have fallen nine

percent since 2001,” and that, “Overall, high-capacity prices have fallen by almost 12 percent in nominal terms between 2001 and 2003. (Verizon Comments, Attachment 15, Declaration of Claire Beth Nogay, ¶ 37.)

4. I submit this declaration to show that these claims are misleading for two prominent reasons. First, they are not “apples-to-apples” comparisons – *i.e.*, they do not compare circuits at the beginning of the period to an exact duplicate at the end. By exact duplicate, I mean exact duplicate by speed, transport mileage, location (zone, price cap versus pricing flexibility area) and any contracted plan to which the customer subscribes. Second, although the Bells’ rates did decrease, it can be shown that little of this decrease can be attributed to anything other than changes caused by regulation.

5. In this declaration I provide two sets of rate analysis charts illustrating the RBOC rate changes for DS1 and DS3 services from May 1, 2001 to August 31, 2004. These analyses clearly demonstrate that rate decreases came predominantly from the rates that are still regulated under price caps. These analyses further demonstrate that rates under pricing flexibility have seen few decreases. These decreases come nowhere near the comparable decreases of the price cap rates. I also include a chart showing that little if any of the price cap rate reductions can be attributed to anything outside price cap regulation.

6. Specifically, I have prepared a set of charts entitled “Comparison of Costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001,” which provides a comparison of each Bell company’s current tariffed interstate special access rates subject to price caps and those subject to pricing flexibility, to the same rates effective May 1, 2001, when the rates subject to pricing flexibility either

did not exist, or were equal to the price cap rates. The charts are prepared only for DS1 and DS3 services, the services that represent the largest expenses of special access purchases by AT&T and the industry. As in my previous submission, I have prepared a similar set of charts for a zero-mile circuit, entitled “Comparison of Costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001,” which make this same comparison for a zero mile circuit.

7. For both the ten mile and zero mile comparisons, I have also prepared a one page “Comparison Summary, ” based on the detailed data in the company-by-company rate charts, for the DS1 and DS3 speeds. The Comparison Summary provides the maximum and median percentage differences for these speeds for each company. The median is used as a measure of the average percentage difference. For each company, columns 1 and 2 show the percentage by which current price cap rates exceed rates effective in May 2001, for month-to-month and 3-year optional payment plan (OPP) offerings. Column 3 is a simple average of the price cap month-to-month and OPP percentage differences and is an approximation of the price increases borne by the many carriers that purchase special access at both month-to-month and OPP rates. Columns 4 and 5 show the percentage by which current pricing flexibility rates exceed rates effective in May 2001, for month-to-month and 3-Year OPP offerings. Column 6 is a simple average of the pricing flexibility month-to-month and OPP percentage differences.

8. For the detailed, company-specific rate charts, I computed the rates as follows. All rates in one comparison are for a ten-mile stand-alone circuit, and for the other comparison, a zero-mile circuit. In other words, each rate is for two channel terminations, a fixed mileage charge for transport, and per-mile charge for transport

multiplied by ten (the mileage charges, both fixed and per-mile are included for the 10-mile comparison only). In any instance in which the ILEC has zoned rates, I used the Zone 1 rate. Rates specified “Pre-Price Flex” were effective May 1, 2001. All other rates are as of August 31, 2004.

9. “ILEC Tariff” indicates ILEC’s tariffed month-to-month rate for a ten-mile and zero-mile standalone circuit, respectively. Month-to-month rates are given for Pre-Price Flex, Price Cap and Pricing Flexibility, indicating common rates effective May 2001, rates under price cap regulation effective August 31, 2004, and rates under pricing flexibility effective August 31, 2004, respectively. The ILEC Tariff rates are in columns 1, 3 and 5 for Pre-Price Flex, Price Cap and Pricing Flexibility.

10. “ILEC OPP” is the ILEC’s tariffed rate for a ten-mile and zero-mile standalone circuit, respectively, provided in its optional payment plan (“OPP”). Again, OPP rates are given for Pre-Price Flex, Price Cap and Pricing Flexibility. All OPP rates are for three-year plans, except where that term is not available, in which case the highest year plan below three years was used.<sup>1</sup> The ILEC OPP rates are in columns 2, 4 and 6 for Pre-Price Flex, Price Cap and Pricing Flexibility.

11. “Mo-to-Mo % Difference Price Cap to Pre-Pr Fl” is the percentage difference between the current price capped month-to-month rate and the pre-pricing flexibility month-to-month rate effective May 1, 2001 (*i.e.*, the percentage difference between the rates in columns 1 and 3).

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<sup>1</sup> “ILEC OPP” does not include payment plans requiring the purchaser to commit either to an expense level or to an expense growth.

12. “OPP % Difference Price Cap to Pre-Pr Fl” is the percentage difference between the price capped OPP rate and the pre-pricing flexibility OPP rate (*i.e.*, the percentage difference between the rates in columns 2 and 4).

13. “Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl” is the percentage difference between the current pricing flexibility month-to-month rate and the pre-pricing flexibility month-to-month rate effective May 1, 2001 (*i.e.*, the percentage difference between the rates in columns 1 and 5).

14. “OPP % Difference Pricing Flex to Pre-Pr Fl” is the percentage difference between the pricing flexibility OPP rate and the pre-pricing flexibility OPP rate (*i.e.*, the percentage difference between the rates in columns 2 and 6).

15. The final chart provided is entitled “2001 – 2004 Annual Filings, RBOC Price Cap % Below Maximum Allowable Level.” Price cap regulation provides a measure to determine if and how much an ILEC’s rates are below their allowable maximum. This chart gives the percentage that price cap rates are below their allowable maximum. Stated another way, it gives the percentage by which the ILECs set their rates below the maximum rate levels that are allowed by the Commission’s price cap regulations for the special access services. (I discuss this chart further in paragraph 19).

16. With respect to the Bells’ rates under price caps, the data demonstrate, for a 10-mile circuit, that the Bells’ tariffed rates for DS1 and DS3 subject to price cap regulation are, on average, below the equivalent rates from 2001. In fact, they are lower for all the Bells over both month-to-month and OPP offerings except for BellSouth’s DS1 Month-to-Month rates. For example, the Comparison Summary shows that for DS1 OPP rates – which represent the single largest dollar volume and expense for AT&T and the

industry – Qwest’s price cap rates are on average more than 15% lower than the 2001 rates. BellSouth’s are 13% lower, Verizon-South’s are 11% lower, and Verizon-North’s and SBC’s are 10% lower.

17. With respect to the Bells’ rates under pricing flexibility, comparisons of the current pricing flexibility rates do not show the decreases seen in the price cap rates. For a 10-mile circuit the Bells’ tariffed rates for DS1 and DS3 subject to pricing flexibility are, on average, equal to or greater than the equivalent rates from 2001. In fact, these rates have increased for all the Bells for month-to-month offerings. For OPPs, only Verizon-South’s DS3 rates have decreased from their May 2001 levels (and then only by one-sixth of the price decreases Verizon-South made for price-capped special access rates). BellSouth and SBC OPPs have kept their pricing flexibility rates exactly at the 2001 level – which is tantamount to a price *increase* in light of the declining costs of special access service over this time period. Qwest has raised its DS1 OPPs by 13% and Verizon-North has increased them by 18%. Qwest’s DS3 OPP rates have increased 42% over their 2001 level. Results for month-to-month rates show even larger increases. From this analysis, it is evident that the Bells’ rate decreases from 2001 to 2004 have come almost solely from price cap rates.

18. The results for a zero-mile circuit are similar. Comparisons of current price cap rates with May 2001 rates show decreases on average, except in BellSouth’s month-to-month DS1 rates. The comparison of pricing flexibility rates to May 2001 rates shows increases in all month-to-month rates for all companies except SBC where the rates remain unchanged. OPP rates do not change or they increase for all Bells except Verizon-South.

19. After observing that the rate decreases have come almost exclusively from the price cap rates, I examined the data in the last chart to see how much of the rate decreases were beyond the level required by the Commission's price cap regulations. Rates subject to price cap regulation would necessarily have been reduced during the years 2001 through 2003, by operation of the price cap mechanism alone. The reason for these decreases is that price cap annual changes are determined by an econometric equation whose major component is comparing an inflation index against a productivity factor of -6.5%. Since the inflation index, the Gross Domestic Product Price Index, was below 6.5% in all years from 2001 through 2003, price cap regulation resulted in rate decreases for those years. The exact amount that price cap ILECs had to decrease their rates from 2001 through 2003 depended on other, company specific, factors called exogenous costs. For the year 2004, the productivity factor was set equal to the inflation index causing very minor rate changes in that year. Each year during the annual filing, the Bells set their price cap rates for the new regulatory year. At that time, they have the opportunity to price below the regulated maximum rates. The last chart, "2001 – 2004 Annual Filings, RBOC Price Cap % Below Maximum Allowable Level" shows the percentage that the RBOCs proposed revenue from each annual filing is below the allowable cap. Stated another way, this is the percentage by which the rates filed by the RBOCs were below the maximum rates allowed under the price cap rules. Looking at this chart, it is seen that the RBOCs kept prices at, or a trivial fraction below, the price cap index. The "largest" rate decreases, beyond those mandated by the Commission's rules, were filed by Qwest. Qwest lowered its rates only by an additional  $\frac{1}{2}$  of 1% beyond the level required by price cap regulation. (The data do not indicate why Qwest

did not price exactly at its cap). Qwest's difference has remained relatively unchanged since 2001. For the SBC companies, Ameritech priced below cap by 1/10 of 1% in 2003. In 2004, both SBC and Verizon-East filed at the maximum level allowed by price cap regulation. This chart thus shows that the amount of rate decreases that the Bells filed below the levels required by price cap regulation were negligible.

20. This concludes my Declaration.

I, M. Joseph Stith, declare under penalty of perjury that the foregoing is true and correct.

/s/ M. Joseph Stith  
M. Joseph Stith

Executed on October 18, 2004.



**Comparison Summary**  
**3-yr, 10-mile circuits**  
**Rates used were effective on August 31, 2004**  
**Price Cap and Pricing Flexibility compared to Common 5/1/01 Rates**

BellSouth		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	3%	-13%	-5%	8%	0%	4%
	median	3%	-13%	-5%	8%	0%	4%
DS3	max	-5%	-22%	-14%	8%	0%	4%
	median	-5%	-22%	-14%	8%	0%	4%

SBC		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	3%	1%	2%	21%	0%	10%
	median	-1%	-3%	-2%	13%	0%	6%
DS3	max	0%	-8%	-4%	2%	0%	1%
	median	-2%	-10%	-6%	0%	0%	0%

Verizon-South		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	-7%	-11%	-9%	15%	9%	12%
	median	-7%	-11%	-9%	15%	9%	12%
DS3	max	-27%	-27%	-27%	6%	-4%	1%
	median	-27%	-27%	-27%	6%	-4%	1%

Qwest		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	-15%	-15%	-15%	25%	13%	19%
	median	-15%	-15%	-15%	25%	13%	19%
DS3	max	-7%	-7%	-7%	56%	42%	49%
	median	-7%	-7%	-7%	56%	42%	49%

Verizon-North		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	-9%	-10%	-9%	10%	18%	14%
	median	-16%	-10%	-13%	10%	18%	14%
DS3	max	-10%	-10%	-10%	6%	0%	3%
	median	-10%	-10%	-10%	6%	0%	3%

General Notes for UNE Rate Comparison Workbook  
une\_waldbaum.xls

- 1 Current rates used were effective on August 31, 2004. These are compared to rates effective May 1, 2001.
- 2 Used zone 1 rates where zoned billing is applicable.
- 3 Price calculated as 10-mile standalone circuits. That is, the same speed from AT&T POP to the customer premises provided solely by the ILEC indicated.
- 4 Tariff indicates month-to-month pricing. That is, not on a term pricing plan.
- 5 OPP indicates Optional Payment Plan. 3-year plans were used unless otherwise noted.
- 6 Did not include optional payment plans that vary by commitment to level or growth.  
Used only those plans that any carrier, regardless of size, could order.
- 7 DS3 priced for electrical circuits unless otherwise noted.

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
BellSouth	Alabama											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	Georgia											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	Florida											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	North Carolina											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	South Carolina											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	Mississippi											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	Louisiana											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
BellSouth	Tennessee											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%
BellSouth	Kentucky											
		DS1	\$555	\$422	\$571	\$367	\$601	\$422	3%	-13%	8%	0%
		DS3	\$7,550	\$5,165	\$7,168	\$4,004	\$8,180	\$5,165	-5%	-22%	8%	0%

## Notes:

- 1 DS3 assumed POP channel term and the end-user channel term are between 1/2 and 1 mile of their ILEC serving wire centers.
- 2 DS1 used 24-month OPPs. DS3 used 37-month.
- 3 DS3: Assumed a 1-mile end-user and POP channel term.
- 4 Did not include the TSP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.
- 5 Did not include Pricing Flexibility contracts that require a committed level of access expense.

## Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Qwest	Arizona											
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Colorado											
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Iowa											
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Idaho											
		DS1	\$485	\$430	\$410	\$365	\$602	\$485	-15%	-15%	24%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Minnesota											
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Montana											
		DS1	\$485	\$430	\$410	\$365	\$602	\$485	-15%	-15%	24%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	North Dakota											
		DS1	\$485	\$430	\$410	\$365	\$602	\$485	-15%	-15%	24%	13%

**Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001**

Company	State	DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Nebraska	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	New Mexico	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Oregon	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	South Dakota	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$485	\$430	\$410	\$365	\$602	\$485	-15%	-15%	24%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Utah	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%
Qwest	Washington	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
		DS1	\$465	\$410	\$395	\$350	\$582	\$465	-15%	-15%	25%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Qwest	Wyoming	DS1	\$485	\$430	\$410	\$365	\$602	\$485	-15%	-15%	24%	13%
		DS3	\$3,780	\$3,275	\$3,520	\$3,047	\$5,900	\$4,650	-7%	-7%	56%	42%

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company State

SBC:Ameritech Illinois

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
DS1	\$974	\$434	\$964	\$407	\$974	\$434	-1%	-6%	0%	0%
DS3	\$9,300	\$3,516	\$9,260	\$3,150	\$9,460	\$3,516	0%	-10%	2%	0%

SBC:Ameritech Indiana

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
DS1	\$1,025	\$459	\$1,013	\$435	\$1,025	\$459	-1%	-5%	0%	0%
DS3	\$9,570	\$3,643	\$9,550	\$3,290	\$9,750	\$3,643	0%	-10%	2%	0%

SBC:Ameritech Michigan

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
DS1	\$1,002	\$447	\$998	\$422	\$1,002	\$447	0%	-6%	0%	0%
DS3	\$9,470	\$3,600	\$9,410	\$3,240	\$9,610	\$3,600	-1%	-10%	1%	0%

SBC:Ameritech Ohio

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
DS1	\$1,002	\$447	\$998	\$422	\$1,002	\$447	0%	-6%	0%	0%
DS3	\$9,470	\$3,600	\$9,410	\$3,240	\$9,610	\$3,600	-1%	-10%	1%	0%

SBC:Ameritech Wisconsin

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
DS1	\$1,025	\$459	\$1,013	\$435	\$1,025	\$459	-1%	-5%	0%	0%
DS3	\$9,570	\$3,643	\$9,550	\$3,290	\$9,750	\$3,643	0%	-10%	2%	0%

Notes:

1 Fixed mileage rates in the tariff were doubled as they are in ABC: Ameritech's billing.

2 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.



Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company      State

SBC: Pac Bell    California

<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
<b>DS1</b>	\$411	\$360	\$389	\$365	\$495	\$358	-5%	1%	21%	-1%
<b>DS3</b>	\$5,810	\$3,100	\$5,005	\$2,290	\$5,810	\$2,880	-14%	-26%	0%	-7%

1 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

2 Did not include the DVP Optional Payment Plan that requires a committed level of total DS1 access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
SBC:SWBT	Arkansas											
		DS1	\$588	\$398	\$577	\$393	\$665	\$393	-2%	-1%	13%	-1%
		DS3	\$5,625	\$3,750	\$5,525	\$3,460	\$5,625	\$3,750	-2%	-8%	0%	0%
SBC:SWBT	Kansas											
		DS1	\$588	\$398	\$577	\$393	\$665	\$393	-2%	-1%	13%	-1%
		DS3	\$5,625	\$3,750	\$5,525	\$3,460	\$5,625	\$3,750	-2%	-8%	0%	0%
SBC:SWBT	Missouri											
		DS1	\$588	\$394	\$577	\$393	\$665	\$393	-2%	0%	13%	0%
		DS3	\$5,625	\$3,750	\$5,525	\$3,460	\$5,625	\$3,750	-2%	-8%	0%	0%
SBC:SWBT	Oklahoma											
		DS1	\$588	\$398	\$577	\$393	\$665	\$393	-2%	-1%	13%	-1%
		DS3	\$5,625	\$3,750	\$5,525	\$3,460	\$5,625	\$3,750	-2%	-8%	0%	0%
SBC:SWBT	Texas											
		DS1	\$558	\$404	\$577	\$393	\$665	\$393	3%	-3%	19%	-3%
		DS3	\$5,625	\$3,750	\$5,525	\$3,460	\$5,625	\$3,750	-2%	-8%	0%	0%

Notes:

1 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Verizon: Bell Atlantic- North	Maine											
		DS1	\$832	\$582	\$702	\$526	\$915	\$686	-16%	-10%	10%	18%
		DS3	\$5,456	\$4,911	\$4,919	\$4,427	\$5,764	\$4,911	-10%	-10%	6%	0%
Verizon: Bell Atlantic- North	New Hampshire											
		DS1	\$832	\$582	\$702	\$526	\$915	\$686	-16%	-10%	10%	18%
		DS3	\$5,456	\$4,911	\$4,919	\$4,427	\$5,764	\$4,911	-10%	-10%	6%	0%
Verizon: Bell Atlantic- North	Vermont											
		DS1	\$832	\$582	\$702	\$526	\$915	\$686	-16%	-10%	10%	18%
		DS3	\$5,456	\$4,911	\$4,919	\$4,427	\$5,764	\$4,911	-10%	-10%	6%	0%
Verizon: Bell Atlantic- North	Massachusetts											
		DS1	\$709	\$567	\$633	\$475	\$780	\$585	-11%	-16%	10%	3%
		DS3	\$5,176	\$4,659	\$4,655	\$4,190	\$5,456	\$4,659	-10%	-10%	5%	0%
Verizon: Bell Atlantic- North	Rhode Island											
		DS1	\$832	\$582	\$702	\$526	\$915	\$686	-16%	-10%	10%	18%
		DS3	\$5,456	\$4,911	\$4,919	\$4,427	\$5,764	\$4,911	-10%	-10%	6%	0%
Verizon: Bell Atlantic- North	New York											
		DS1	\$651	\$521	\$593	\$445	\$716	\$537	-9%	-15%	10%	3%
		DS3	\$5,176	\$4,659	\$4,655	\$4,190	\$5,456	\$4,659	-10%	-10%	5%	0%

## Notes:

- 1 DS3 POP Channel Terms are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific ILEC LSO to the specific customer designated premises. Used count of 25+ (AT&T's modal value, near the lowest value) for the POP channel term rate. The end-user rate is a secondary channel term rate.
- 2 Did not include Pricing Flexibility contracts that require a committed level of access expense.

Comparison of costs (10-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Verizon: Bell Atlantic- South	Delaware											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	New Jersey											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	Pennsylvania											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	Maryland											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	Virginia											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	DC											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%
Verizon: Bell Atlantic- South	West Virginia											
		DS1	\$679	\$535	\$632	\$478	\$780	\$585	-7%	-11%	15%	9%
		DS3	\$6,368	\$5,731	\$4,655	\$4,190	\$6,767	\$5,510	-27%	-27%	6%	-4%

## Notes:

- 1 DS3 POP Channel Terms are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific LEC LSO to the specific customer designated premises. Used count of 25+ (AT&T's modal value, near the lowest value) for the POP channel term rate. The end-user rate is a secondary channel term rate.
- 2 Did not include Pricing Flexibility contracts that require a committed level of access expense.

**Comparison Summary**  
**3-yr, 0-mile circuits**  
**Rates used were effective on August 31, 2004**  
**Price Cap and Pricing Flexibility compared to Common 5/1/01 Rates**

BellSouth		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	12%	-2%	5%	12%	0%	6%
	median	12%	-2%	5%	12%	0%	6%
DS3	max	-3%	-23%	-13%	8%	0%	4%
	median	-3%	-23%	-13%	8%	0%	4%

SBC		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	1%	12%	6%	19%	7%	13%
	median	-1%	-1%	-1%	17%	0%	9%
DS3	max	0%	-8%	-4%	3%	0%	1%
	median	-3%	-12%	-7%	0%	0%	0%

Verizon-South		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	-6%	-16%	-11%	8%	-4%	2%
	median	-6%	-16%	-11%	8%	-4%	2%
DS3	max	-34%	-34%	-34%	10%	-6%	2%
	median	-34%	-34%	-34%	10%	-6%	2%

Qwest		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	-2%	-2%	-2%	43%	24%	34%
	median	-2%	-2%	-2%	43%	24%	34%
DS3	max	-7%	-7%	-7%	47%	32%	39%
	median	-7%	-7%	-7%	47%	32%	39%

Verizon-North		Price Cap			Pricing Flexibility		
SPEED	STATISTIC	Mo-to-Mo	OPP	Average	Mo-to-Mo	OPP	Average
DS1	max	0%	-6%	-3%	10%	18%	14%
	median	-13%	-7%	-10%	10%	18%	14%
DS3	max	-6%	-6%	-6%	10%	0%	5%
	median	-6%	-6%	-6%	10%	0%	5%

General Notes for UNE Rate Comparison Workbook  
une\_waldbaum.xls

- 1 Current rates used were effective on August 31, 2004. These are compared to rates effective May 1, 2001.
- 2 Used zone 1 rates where zoned billing is applicable.
- 3 Price calculated as 10-mile standalone circuits. That is, the same speed from AT&T POP to the customer premises provided solely by the ILEC indicated.
- 4 Tariff indicates month-to-month pricing. That is, not on a term pricing plan.
- 5 OPP indicates Optional Payment Plan. 3-year plans were used unless otherwise noted.
- 6 Did not include optional payment plans that vary by commitment to level or growth. Used only those plans that any carrier, regardless of size, could order.
- 7 DS3 priced for electrical circuits unless otherwise noted.

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<u><b>ILEC</b></u>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
BellSouth	Alabama											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	Georgia											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	Florida											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	North Carolina											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	South Carolina											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	Mississippi											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr FI	OPP % Difference Price Cap to Pre-Pr FI	Mo-to-Mo % Difference Pricing Flex to Pre-Pr FI	OPP % Difference Pricing Flex to Pre-Pr FI
BellSouth	Louisiana											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	Tennessee											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%
BellSouth	Kentucky											
		DS1	\$300	\$252	\$336	\$248	\$336	\$252	12%	-2%	12%	0%
		DS3	\$4,670	\$3,500	\$4,552	\$2,704	\$5,050	\$3,500	-3%	-23%	8%	0%

## Notes:

1 DS3 assumed POP channel term and the end-user channel term are between 1/2 and 1 mile of their ILEC serving wire centers.

2 DS1 used 24-month OPPs. DS3 used 37-month.

4 DS3: Assumed a 1-mile end-user and POP channel term.

5 Did not include the TSP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

6 Did not include Pricing Flexibility contracts that require a committed level of access expense.



Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Qwest	Arizona											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Colorado											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Iowa											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Idaho											
		DS1	\$250	\$230	\$240	\$221	\$350	\$280	-4%	-4%	40%	22%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Minnesota											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Montana											
		DS1	\$250	\$230	\$240	\$221	\$350	\$280	-4%	-4%	40%	22%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	North Dakota											
		DS1	\$250	\$230	\$240	\$221	\$350	\$280	-4%	-4%	40%	22%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Qwest	Nebraska											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	New Mexico											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Oregon											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	South Dakota											
		DS1	\$250	\$230	\$240	\$221	\$350	\$280	-4%	-4%	40%	22%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Utah											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Washington											
		DS1	\$230	\$210	\$225	\$205	\$330	\$260	-2%	-2%	43%	24%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%
Qwest	Wyoming											
		DS1	\$250	\$230	\$240	\$221	\$350	\$280	-4%	-4%	40%	22%
		DS3	\$3,000	\$2,570	\$2,800	\$2,399	\$4,400	\$3,400	-7%	-7%	47%	32%

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
SBC:Ameritech	Illinois											
		DS1	\$510	\$206	\$500	\$204	\$510	\$206	-2%	-1%	0%	0%
		DS3	\$6,240	\$2,400	\$6,200	\$2,100	\$6,400	\$2,400	-1%	-13%	3%	0%
SBC:Ameritech	Indiana											
		DS1	\$552	\$226	\$540	\$226	\$552	\$226	-2%	0%	0%	0%
		DS3	\$6,420	\$2,480	\$6,400	\$2,180	\$6,600	\$2,480	0%	-12%	3%	0%
SBC:Ameritech	Michigan											
		DS1	\$534	\$216	\$530	\$216	\$534	\$216	-1%	0%	0%	0%
		DS3	\$6,360	\$2,460	\$6,300	\$2,160	\$6,500	\$2,460	-1%	-12%	2%	0%
SBC:Ameritech	Ohio											
		DS1	\$534	\$216	\$530	\$216	\$534	\$216	-1%	0%	0%	0%
		DS3	\$6,360	\$2,460	\$6,300	\$2,160	\$6,500	\$2,460	-1%	-12%	2%	0%
SBC:Ameritech	Wisconsin											
		DS1	\$552	\$226	\$540	\$226	\$552	\$226	-2%	0%	0%	0%
		DS3	\$6,420	\$2,480	\$6,400	\$2,180	\$6,600	\$2,480	0%	-12%	3%	0%

## Notes:

- 1 Fixed mileage rates in the tariff were doubled as they are in ABC: Ameritech's billing.
- 2 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company      State  
  
SBC: Pac Bell   California

<b><u>ILEC</u></b>	<b>ILEC Tariff Pre-Price Flex (5/1/01)</b>	<b>ILEC OPP Pre-Price Flex (5/1/01)</b>	<b>ILEC Price Cap Tariff</b>	<b>ILEC Price Cap OPP</b>	<b>ILEC Pricing Flex Tariff</b>	<b>ILEC Pricing Flex OPP</b>	<b>Mo-to-Mo % Difference Price Cap to Pre-Pr Fl</b>	<b>OPP % Difference Price Cap to Pre-Pr Fl</b>	<b>Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl</b>	<b>OPP % Difference Pricing Flex to Pre-Pr Fl</b>
<b>DS1</b>	\$260	\$210	\$251	\$235	\$305	\$225	-4%	12%	17%	7%
<b>DS3</b>	\$5,000	\$2,290	\$4,400	\$1,700	\$5,000	\$2,290	-12%	-26%	0%	0%

1 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

2 Did not include the DVP Optional Payment Plan that requires a committed level of total DS1 access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b><u>ILEC</u></b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
SBC:SWBT	Arkansas											
		DS1	\$360	\$230	\$362	\$224	\$430	\$224	1%	-3%	19%	-3%
		DS3	\$3,900	\$2,500	\$3,800	\$2,300	\$3,900	\$2,500	-3%	-8%	0%	0%
SBC:SWBT	Kansas											
		DS1	\$360	\$230	\$362	\$224	\$430	\$224	1%	-3%	19%	-3%
		DS3	\$3,900	\$2,500	\$3,800	\$2,300	\$3,900	\$2,500	-3%	-8%	0%	0%
SBC:SWBT	Missouri											
		DS1	\$360	\$230	\$362	\$224	\$430	\$224	1%	-3%	19%	-3%
		DS3	\$3,900	\$2,500	\$3,800	\$2,300	\$3,900	\$2,500	-3%	-8%	0%	0%
SBC:SWBT	Oklahoma											
		DS1	\$360	\$230	\$362	\$224	\$430	\$224	1%	-3%	19%	-3%
		DS3	\$3,900	\$2,500	\$3,800	\$2,300	\$3,900	\$2,500	-3%	-8%	0%	0%
SBC:SWBT	Texas											
		DS1	\$360	\$230	\$362	\$224	\$430	\$224	1%	-3%	19%	-3%
		DS3	\$3,900	\$2,500	\$3,800	\$2,300	\$3,900	\$2,500	-3%	-8%	0%	0%

1 Did not include the MVP Optional Payment Plan that requires a committed level of total access. This plan's discounts apply to Price Cap and Pricing Flexibility rates.

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<u>ILEC</u>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Verizon: Bell Atlantic- North	Maine											
		DS1	\$533	\$373	\$463	\$347	\$586	\$440	-13%	-7%	10%	18%
		DS3	\$3,081	\$2,773	\$2,900	\$2,610	\$3,389	\$2,773	-6%	-6%	10%	0%
Verizon: Bell Atlantic- North	New Hampshire											
		DS1	\$533	\$373	\$463	\$347	\$586	\$440	-13%	-7%	10%	18%
		DS3	\$3,081	\$2,773	\$2,900	\$2,610	\$3,389	\$2,773	-6%	-6%	10%	0%
Verizon: Bell Atlantic- North	Vermont											
		DS1	\$533	\$373	\$463	\$347	\$586	\$440	-13%	-7%	10%	18%
		DS3	\$3,081	\$2,773	\$2,900	\$2,610	\$3,389	\$2,773	-6%	-6%	10%	0%
Verizon: Bell Atlantic- North	Massachusetts											
		DS1	\$410	\$328	\$394	\$296	\$451	\$338	-4%	-10%	10%	3%
		DS3	\$2,801	\$2,521	\$2,636	\$2,372	\$3,081	\$2,521	-6%	-6%	10%	0%
Verizon: Bell Atlantic- North	Rhode Island											
		DS1	\$533	\$373	\$463	\$347	\$586	\$440	-13%	-7%	10%	18%
		DS3	\$3,081	\$2,773	\$2,900	\$2,610	\$3,389	\$2,773	-6%	-6%	10%	0%
Verizon: Bell Atlantic- North	New York											
		DS1	\$353	\$282	\$354	\$266	\$388	\$291	0%	-6%	10%	3%
		DS3	\$2,801	\$2,521	\$2,636	\$2,372	\$3,081	\$2,521	-6%	-6%	10%	0%

## Notes:

- 1 DS3 POP Channel Terms are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific IEC LSO to the specific customer designated premises. Used count of 25+ (AT&T's modal value, near the lowest value) for the POP channel term rate. The end-user rate is a secondary channel term rate.
- 2 Did not include Pricing Flexibility contracts that require a committed level of access expense.

Comparison of costs (0-mile Standalone Circuit) Rates in Effect on August 31, 2004 to Rates in Effect on May 1, 2001

Company	State	<b>ILEC</b>	ILEC Tariff Pre-Price Flex (5/1/01)	ILEC OPP Pre-Price Flex (5/1/01)	ILEC Price Cap Tariff	ILEC Price Cap OPP	ILEC Pricing Flex Tariff	ILEC Pricing Flex OPP	Mo-to-Mo % Difference Price Cap to Pre-Pr Fl	OPP % Difference Price Cap to Pre-Pr Fl	Mo-to-Mo % Difference Pricing Flex to Pre-Pr Fl	OPP % Difference Pricing Flex to Pre-Pr Fl
Verizon: Bell Atlantic- South	Delaware											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	New Jersey											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	Pennsylvania											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	Maryland											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	Virginia											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	DC											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%
Verizon: Bell Atlantic- South	West Virginia											
		DS1	\$418	\$353	\$394	\$296	\$451	\$338	-6%	-16%	8%	-4%
		DS3	\$3,993	\$3,593	\$2,636	\$2,372	\$4,392	\$3,372	-34%	-34%	10%	-6%

## Notes:

- 1 DS3 POP Channel Terms are priced based on the number of DS3 channels, both channel terms and entrance facilities, from the specific LEC LSO to the specific customer designated premises. Used count of 25+ (AT&T's modal value, near the lowest value) for the POP channel term rate. The end-user rate is a secondary channel term rate.
- 2 Did not include Pricing Flexibility contracts that require a committed level of access expense.

**2001 - 2004 Annual Filings**  
**RBOC Price Cap % Below Maximum Allowable Level**  
**Special Access Basket**

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	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Ameritech	0.00%	-0.04%	-0.13%	0.00%
Verizon-East	0.00%	0.00%	0.00%	0.00%
BellSouth	0.00%	0.00%	0.00%	-0.10%
Pac Bell	0.00%	0.00%	-0.01%	0.00%
Southwestern	0.00%	-0.01%	-0.09%	0.00%
Qwest	-0.55%	-0.45%	-0.44%	-0.51%